

Aegon Polish Bond Fund institutional series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% TBSP Index
ISIN code:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	15,822,332,568 HUF
Net Asset Value of institutional series:	133,336,523 PLN
Net Asset Value per unit:	1.384246 PLN

INVESTMENT POLICY OF THE FUND:

The aim of the investment fund is to give investors access to the Polish bond market and to function as a relatively stable, medium-risk investment already medium term, offering our customers stable real returns without the need to tie up their savings for a fixed period. The fund primarily invests into Zloty denominated Polish government bonds but the portfolio manager has some room to use other fixed income investments. We aim to maximise returns with the given risk level. Our investment decisions are based on fundamental research extended by technical research while we also take into account global market sentiment. Expected shifts in the yield curve based on our macro expectations are at the core of our investment process. Risk/return characteristics are also considered when we select suitable and safe investments. We aim to totally hedge any currency risk in the fund.

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.80 %	4.38 %
2020	6.00 %	6.42 %
2019	3.73 %	3.94 %
2018	4.17 %	4.67 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 05/01/2020 - 04/30/2021



— Aegon Polish Bond Fund institutional series — Benchmark

Past performance is no guarantee of future results. This report should not be considered as an offer or investment advisory. The Fund Prospectus contains the detailed conditions of the investment. The distribution costs of the fund purchase can be found at the distributors.

MARKET SUMMARY:

The Polish bond market had a mixed performance in April. The decline in yields seen until mid-April was mainly due to the asset purchase program, as the central bank bought more government bonds in the last two tenders than in the last six months combined. In the second half of the month, however, yields corrected and we witnessed a more significant rise in yields on the back of the inflation data released at the end of the month. Overall, yields on the 3 and 5-year maturities ended the month where they started, while yields on the 10-year maturity rose by 11 basis points compared to the beginning of the month. Moving on to economic data, Polish GDP is expected to grow by 4% this year and 4.8% in 2022, according to the April expectations. First quarter GDP growth was revised up to -1.5% and second quarter GDP growth was revised down to 8.5% from 8.7%. Year-on-year inflation accelerated to 4.3% in April, finishing well above expectations. This has put some pressure on the central bank, but Governor Glapinski continues to believe that inflation will return to the 2.5% level, which will not require an interest rate hike. The purchasing managers' index fell to 53.7 in April from 54.3 in March. All components of the index contributed positively to the reading, which has not been seen since July 2018. Industrial production grew by 18.9% in March, largely helped by last year's low base. As for the general government, the state generated a deficit of PLN 4,295.2 million in February, bringing the 12-month rolling budget deficit to 3.27% of GDP. After the surge in yields in January and February we increased our Polish duration exposure tactically, but later on we started to decrease our exposure gradually, which showed a meaningful duration underweight before Polish inflation data came in, which proved to be a good decision.

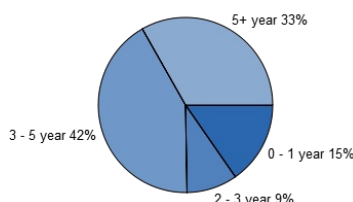
ASSET ALLOCATION OF THE FUND ON 04/30/2021

Asset type	Weight
Government bonds	53.87 %
Corporate bonds	38.45 %
Current account	7.98 %
Liabilities	-1.69 %
Receivables	1.46 %
Market value of open derivative positions	-0.07 %
total	100.00 %
Derivative products	14.58 %
Net corrected leverage	106.35 %

Assets with over 10% weight

POLGB 2024/10/25 2.25% (Lengyel Állam)
POLGB 2021/07/25 1.75% (Lengyel Állam)
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	2.18 %
Annualized standard deviation of the benchmark's weekly yields:	2.26 %
WAM (Weighted Average Maturity):	4.02 years
WAL (Weighted Average Life):	4.24 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2024/10/25 2.25%	interest-bearing	Lengyel Állam (PL)	2024. 10. 25.
POLGB 2021/07/25 1.75%	interest-bearing	Lengyel Állam (PL)	2021. 07. 25.
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego (PL)	2025. 07. 03.
POLGB 2030/10/25 1.25%	interest-bearing	Lengyel Állam (PL)	2030. 10. 25.
BGOSK 2030/06/05 2.125%	interest-bearing	Bank Gospodarstwa Krajowego (PL)	2030. 06. 05.